Company Official Fears Union White Collar Gains

At least one top management official is worried about the interest that is being aroused among white collar workers by more "sophisticated" organizing tactics.

The official in question, Frank G. Armstrong, vice-president for industrial relations, Burroughs Corp. of Detroit, has warned fellow industrialists that a growing number of white collar workers are listening more closely to the union message.

The company official is probably on solid ground in pointing out that the growing appeal of unions to white collar workers also flows from a breaking down of the once close relationship between these workers and management.

Armstrong notes that the relationship between the white collar employee and the company is growing more impersonal in our big enterprises. This, he admitted, in a talk at the YMCA Silver Bay, N. Y., Conference on Human Relations, is causing the white collar worker to reevaluate his status. Many, he agreed, no longer view union membership as something beneath their dignity.

The company official put his finger on the real nub of the "white collar problem" when he pointed out that these workers now average 25 percent less pay than manufacturing workers, and that they have lost their once vaunted advantage in paid holidays, sick pay and vacations.

A recent survey of the National Office Management Association showed just how badly office clerical employees are lagging. This survey, which covered some 500,000 employees of more than 7,500 firms, revealed that these employees now average only $70 a week although their salaries went up $6 in the past year.

Wages of manufacturing workers now average $92 per week, although they once lagged behind clerical employees. Manufacturing workers today, thanks to union contracts, generally have better health and welfare coverage than white collar clerical employees.

Contrary to popular belief, most office clerical employees—those in 68 percent of the companies surveyed—work 40 hours. Those in 12 percent of the firms work 37.5 hours. Only five percent of the firms have a 35-hour week.

The basic reasons that white collar will respond increasingly to unions lie in such factors as these, and in the technological revolution now taking place in the office—a revolution that is threatening job security.

"Not One Step Backward"

SAN FRANCISCO, (PAI)—"Labor is not going to take one backward step.

"We are going to fight back as we have fought back before.

"Out of this convention will come a comprehensive plan to meet this particular challenge to the future of the trade union movement."

With these sharply-spoken words, AFL-CIO President George Meany keynoted the third biennial convention of the AFL-CIO at the Civic Center in San Francisco.

Meany's keynote speech summed up the sense of urgency felt by the delegates and reflected their determination to lay down an effective program to meet the crisis faced by organized labor.

'CRUCIAL TIME' FOR TRADE UNIONS

The AFL-CIO leader said the convention met at a 'crucial time in the history of the trade union movement and a crucial time in the affairs of our country," adding:

"Labor is an integral part of the social, economic and political life of this great nation. It is part and parcel of the American way of life and the thinking that adversely affects the trade union movement, adversely affects the individual workers in our unions and workers who are not in our unions, and also adversely affects the welfare and standing of the nation as a whole."

Meany blasted the "big moguls of big business" who are "attempting to weaken and render impotent this movement and finally, perhaps, to destroy it."

He recalled Secretary of Labor James P. Mitchell had promised that the new labor law would not be used by him to engage in witch hunts.

"Well, that is very nice of him," Meany said, "but it is an admission from one of the advocates of this bill that there is contained in the legislation the power for the Secretary of Labor to engage in witch hunts if he so desires. Perhaps at some future time we may have a Secretary of Labor who will want to use those powers and not lay them aside as Secretary Mitchell indicates he is going to do."

The delegates were provided with an 80-page analysis of the law prepared by the legal staff of the AFL-CIO.

THE WEALTHY VS. UNIONS

Meany told the delegates that the steel strike "is another characteristic of this anti-labor drive."

"To me," Meany said, "it is almost incomprehensible that the chief beneficiary of this (U. S.) economic system, the people who draw the tremendous salaries and dividends and profits, seem out to destroy the most progressive force in American life."

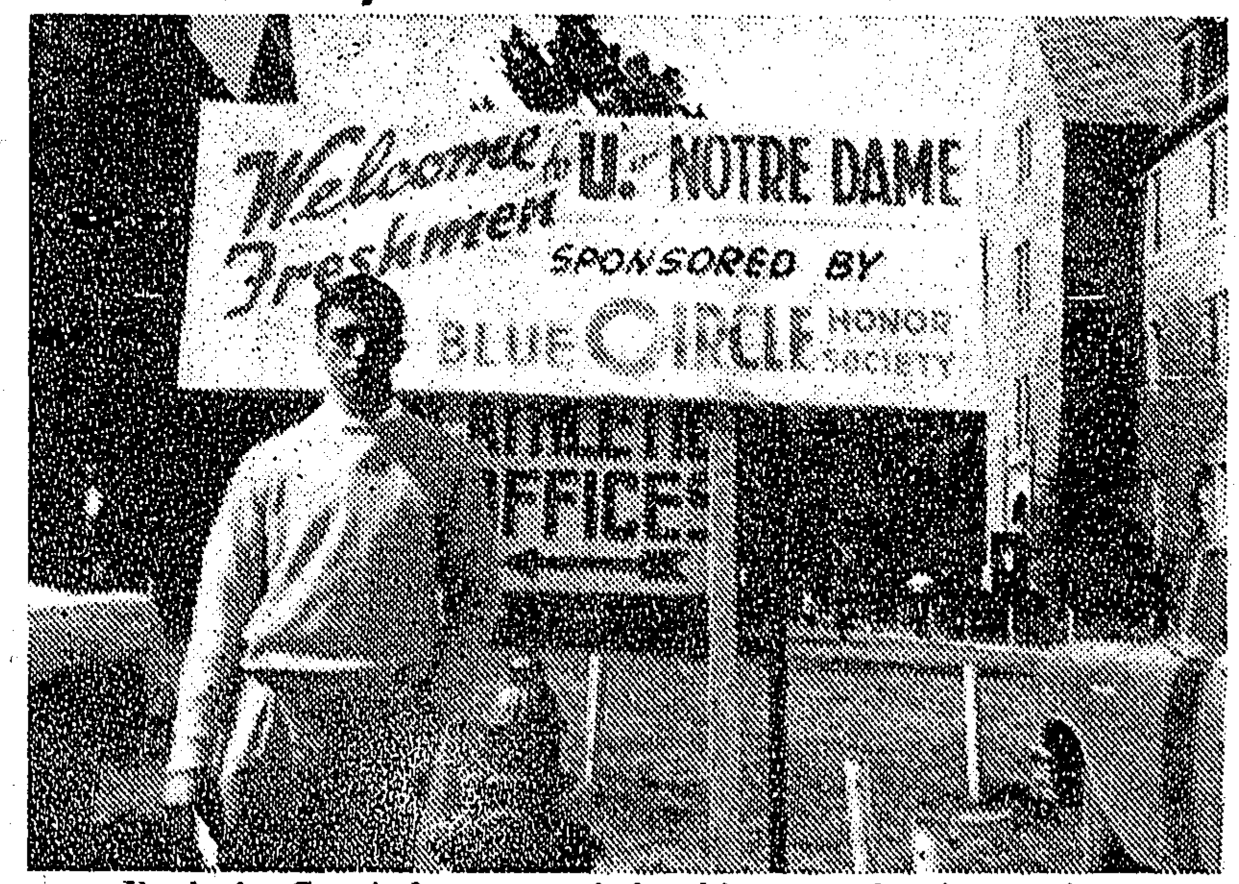
"LABOR LOOKS AT THE NEWS"
Dial 1240 — WSNY
Sponsored by Local 301, IUE
Every Sat. 6:45-7:00 P.M.

Know the "True Facts" in the Steel Dispute
(Pages 2, 3, 4)

LOCAL 301 NEWS
IUE AFL-CIO
Vol. 6 — No. 9 The Voice of GE Workers, Local 301, Schenectady, N. Y. October 6, 1959

MEMBERSHIP DRIVE KICKS OFF OCT. 9

On His Way . . .



Paul A. Graziade, our scholarship award winner, is seen entering Notre Dame to begin his four year study. Lots of luck, Paul, from your 10,000 friends of Local 301!

Wear Your Buttons Monday

The GE chain-wide membership drive will "kick off" in full swing, starting this Friday, October 9th.

All Union Members of Local 301 are requested to report to their stewards with their pay-check stubs. The steward will then write down their names and distribute the IUE membership buttons to them on Monday morning, October 12th.

Wear Your Button Proudly

During the membership drive, initiations will be waived for those signing up during the month of October, 1959. Each Shop Steward will be supplied with membership cards and buttons **to be worn by members only.** So wear your button proudly and sign up that non-union member in your department right away!

Let's all get behind this Membership Drive and make Local 301 a 100% UNION MEMBERSHIP Local among the eligible GE Employees.

"LABOR LOOKS AT THE NEWS"
Dial 1240 — WSNY
Sponsored by Local 301, IUE
Every Sat. 6:45-7:00 P.M.

Trenton Strikers Return to Work To Test GE's "Good Intentions"

The membership of Local 455, IUE, in Trenton, New Jersey, who have been commended by the entire IUE, for their militant stand against GE, voted to return to work after 12 weeks on the picket lines to discuss their differences with the GE Management.

They will test the "good faith" of GE's intentions to settle their grievances in an honorable way to pave the avenue for decent working conditions in the plant.

The issues involved in the strike deal with a number of grievances protesting the company's action in cutting piecework prices and preventing operators from making day rates, and the company's attitude towards its employees and the Union by the use of threats and intimidation.

The Local stuck by its guns and put up a solid front against GE and maintained a 100% effective picket line around the plant.

A total of $1,418.95 was collected and forwarded to the strikers and their families by Local 301. Several hundred dollars which came in after the strike was settled will be used to aid the Steelworkers, who have been out on the street for 78 days at the time this article was written.

WEAR THAT UNION BUTTON—SIGN UP THAT NON-MEMBER!

NOW AMERICA... STEEL PROFITS ARE EXPOSED FOR YOU!

Fantastic Profits

Big 12 Steel Companies

First Six Months

1959—$694,600,000.00

NOTE: Highest profits in all history.

1958—$287,000,000.00

A recession year for steelworkers, yet the fourth highest profit year in steel history.

1957—$569,900,000.00

The all-time high profit figure until 1959.

These record-breaking 1959 profits prove beyond all doubt that the Steel Industry's action in forcing a shutdown was cold-blooded, shameful, and contrary to the best interests of our nation. Take a look at these profits:

$ 3,837,569.00 Every Day (after taxes)

$ 26,715,385.00 Every Week (after taxes)

$115,766,667.00 Every Month (after taxes)

	FIRST HALF 1959	FIRST HALF 1958	FIRST HALF 1957
U. S. Steel	$254,900,000.00	$135,700,000.00	$231,400,000.00
Bethlehem Steel	123,200,000.00	53,800,000.00	103,700,000.00
Republic Steel	67,100,000.00	23,900,000.00	52,900,000.00
Jones & Laughlin Steel	42,200,000.00	5,700,000.00	26,600,000.00
National Steel	39,500,000.00	10,300,000.00	26,100,000.00
Youngstown Sheet & Tube	28,700,000.00	7,800,000.00	21,900,000.00
Inland Steel	42,200,000.00	20,100,000.00	29,800,000.00
Armco Steel	50,600,000.00	21,000,000.00	38,600,000.00
Kaiser Steel	10,200,000.00	4,600,000.00	14,900,000.00
Colorado Fuel & Iron	12,600,000.00	300,000.00(L)	8,900,000.00
Wheeling Steel	11,000,000.00	3,000,000.00	7,400,000.00
Allegheny Ludlum Steel	12,400,000.00	1,400,000.00	7,700,000.00
(L) loss — TOTALS	$694,600,000.00	$287,000,000.00	$569,900,000.00

Note: During the years from 1947 through 1958, the Steel Industry operated at 87.1% of capacity. During the first 6 months of 1959, the Steel Industry operated at 87.8% of capacity. This proves that the fantastically high profits of 1959 were made at *normal* operations.

Fewer Workers Make More Steel

In 1957—it took 13 production-hours to make a ton of steel.
In May, 1959—it took 10.9 production-hours to make a ton of steel.

As the number of workers gets lower and lower, the amount of profits and production gets higher and higher.

In the past two years, the Steel Industry has reduced its workers by 37,554.

Yet, the Steel Industry spreads propaganda of inefficiency, when its own reports prove that fewer Steelworkers are increasing production and breaking all profit records.

It's true that some of the hourly wages are fairly high, but more **important is the fact that Steelworkers are rarely given an opportunity to work a full work-year. Steelworkers have averaged as much as 40 hours per week in only 1 year in the last 13.**

It's time for the Steel Industry to stop trying to fool the people. Their clever propaganda about inflation, export-import hoax, and lack of worker efficiency is now proven to be deceitful and instigated by a desire for personal wealth of the top executives.

Thanks to the law, they cannot hide the facts and figures. The truth has now been made public.

We accuse the Steel Industry not only of being purposely deceitful, but also of irresponsibility to its workers, its stockholders, and to the Nation.

How the chief executive of one of the major steel companies benefits personally, while Steelworkers' families suffer the hardships of a shutdown

Stock options awarded to themselves at the expense of the stockholders are the means steel executives use to siphon off the great wealth of the Steel Industry for their personal fortunes.

Take the example of Mr. X, an executive of one of the Steel companies. Every time the market price of his company's stock rises just 1 point he becomes richer by another $32,000. In the last few months his company's stock has risen about 15 points which gives him a profit of about $480,000. If this same man exercised all his stock options and sold the stock in his company he would make a gross profit of over $2,500,000 and a Take Home Pay of over $2,000,000 after taxes . . . **for which he risks not one penny.**

This is in addition to his salary, pension, apartments, clubs, airplanes, railroad cars and unlimited expenses he may use for personal luxuries plus any special bonus deal, or post employment benefit he may have. **And 19 of the top 22 Steel Companies have stock option** plans similar to the one above. Little wonder that these executives want to "hold the line" on wages. Their personal profits and stock equities will rise even further.

Their arrogance, greed, and desire for personal gain would make old-time "steel barons" blush with envy.

Steel profits are at an all time high. Executive Stock Options are at an all time high. Executive Bonuses are at an all time high. Executive Salaries are at an all time high. Cost-of-Living is at an all time high.

Yet, Steelworkers regular wages have increased but 1 penny in the last 13 months.

United Steelworkers of America

I. W. Abel, *Secretary-Treasurer* — David J. McDonald, *President* — Howard R. Hague, *Vice-President*

David J. McDonald Says It's Hard to Believe

BUT TRUE

According to a report in the New York Times on August 2—in the past few years the average rate of return on sales for manufacturing companies has been about 5%. But the rate of return for US Steel for the first half of 1959 was 10%.

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In last two years, US Steel employment was reduced by 21,000 while steel shipments increased by more than 32%.

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US Steel increased steel prices 23 times since World War II.

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Profits per ton of steel shipped increased by $3.50 a ton since 1957, about $10 a ton since 1955, by over $17 since 1953, and almost $27 since 1947. US Steel's return on net worth amounts to 15.7%, five times greater than 20 years ago.

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In the most recent three-month period in 1959, US Steel shipped steel products at a record annual rate of 30.9 million tons with 250,310 employees. As recently as 1953, the corporation employed 301,560 workers and shipped 25.1 million tons. In the space of six years, US Steel employment has been reduced by more than 51,000 and steel shipments increased by 5.8 million tons a year—48% increase per employee in 6 years.

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Profits before taxes are over the half billion mark in half a year. This year, US Steel profits equal an annual rate of $4,345 per employee, an increase of $1,300 a year per employee over previous best in 1957.

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The total payroll cost per ton of steel shipped is $3.00 a ton less than in 1957, the former record profit year.

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Holding the "general" level of steel prices does not mean a price freeze. US Steel in the past raised prices by as much as $5.00 a ton on so-called "extras" without putting into effect a "general" price increase.

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US Steel's 1959 profits amount to over $2.28 per man hour. This is a profit growth of $.67 per man over prior record two years ago.

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Statement of US Steel's chairman that he does not intend to raise the "general" level of prices this year is not quite the "hold-the-line" position he pretends, because:

1. Sharp rising productivity reduces costs of producing steel. 2. Dividends are at a new high and about to be raised further; compensation of supervisory employees (Management Incentive Plan) in steel is rising as result of "reward" bonuses; compensation to steel executives, because of stock options, grows by leaps and bounds as market prices of steel equities rise.

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US Steel record achieved with fewer employees than in any year since 1939, except for recession in 1958.

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Total employment costs per sales dollar for first half of 1959 were reduced to 39.8¢ an hour from a figure of 42.2¢ in 1957. Most recent quarter, these costs were only 37.1¢ per sales dollar. Decline in employment costs in relation to sales reflects the consistent trend of reduced employment and increased production.